

J.K. Boyce
Spring 2004
boyce@econs.umass.edu

Economics 765: Economic Development

Topics: This course is the first in a two-semester introduction to the field of development economics. Major topics include:

- (1) *Distribution and well-being:* Poverty, inequality, and determinants of variation in the distribution of income across countries and over time.
- (2) *Agriculture:* Agricultural markets, agricultural growth, agrarian structure, technological and institutional change.
- (3) *Environment:* Investment in natural capital; adjustment of national accounts for environmental degradation; population policy debates; political economy of sustainable and non-sustainable development.
- (4) *External sector:* External assistance, international finance, and political conditionality.
- (5) *Conflict:* The economic implications of conflict and war-to-peace transitions.

Books: The following books are available for purchase at Amherst Books (8 Main St, Amherst):

J.K. Boyce, *The Philippines* (Hawaii, 1993).
J.K. Boyce, *Investing in Peace* (Oxford, 2002).
P. Collier, *Breaking the Conflict Trap: Civil War and Development Policy* (Oxford, 2003).
R. Guha, *Environmentalism: A Global History* (Longman, 2000).
B. Hartmann & J.K. Boyce, *A Quiet Violence* (Zed, 1983).
D. Ray, *Development Economics* (Princeton, 1998).
A. Sen, *Development as Freedom* (Knopf, 1999).
A.K. Sen, *Employment, Technology, and Development* (Oxford, 2000).

The books listed above are also available at the W.E.B. DuBois Library's reserve room.

Assignments and expectations will be discussed in class.

**ECON 765 – SPRING 2004
READING LIST**

I. DISTRIBUTION AND WELL-BEING

(a) Development and welfare

Ackerman, F. et al. (1997) Human Well-Being and Economic Goals. Washington, D.C.: Island Press.

Agarwal, B. (1992) 'Gender Relations and Food Security,' in L. Beneria & S. Feldman, eds. Unequal Burden: Economic Crises, Persistent Poverty and Women's Work. Boulder: Westview, Ch.8.

Griffin, K.B. (1999) Alternative Strategies for Economic Development. 2nd edn. London: Macmillan, Ch.1.

Sen, A.K. (1981) Poverty and Famines. Oxford: OUP, esp. pp. 1-8, 45-85.

Sen, A.K. (1983) 'Development: Which Way Now?' EJ 93: 745-62; reprinted in his book Resources, Values and Development, Cambridge, MA: Harvard University Press, 1984, pp. 485-508.

Sen, A.K. (1999) Development as Freedom. New York: Knopf, esp. Chs. 2 & 12.

(b) Inequality and poverty: Measurement issues

Bardhan, K. and Klasen, S. (1999) 'UNDP's Gender-Related Indices: A Critical Review,' WD 27(6): 985-1010.

Bardhan, P. and Udry, C. (1999) Development Microeconomics, Oxford: OUP, Ch. 11.

Boyce, J.K. (1993) The Philippines: The Political Economy of Growth and Impoverishment in the Marcos Era. London: Macmillan, pp. 37-53, 99-115.

Moser, C. (1998) 'The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies,' WD 26(1): 1-19.

Ravallion, M. (1994) Poverty Comparisons. Chur: Harwood, esp. pp. 28-66.

Ray, D. (1998) Development Economics. Princeton: PUP, Chs. 6, 8.

Sen, A.K. (1990) 'More Than 100 Million Women Are Missing,' New York Review of Books, 20 December.

Sutcliffe, B. (2003) 'A more or less unequal world? World income distribution in the 20th century,' Amherst, MA: Political Economy Research Institute Working Paper No. 54. Available at: <http://www.umass.edu/peri/pdfs/WP54.pdf>.

Whitehead, A. and Lockwood, M. (1999) 'Gendering Poverty: A Review of Six World Bank African Poverty Assessments,' DC 30(3): 525-555.

(c) Distribution and growth

Adelman, I. and Robinson, S. (1994) 'Income Distribution and Development,' in H. Chenery and T.N. Srinivasan, eds, Handbook of Development Economics, Vol. 2. Amsterdam: Elsevier, Ch. 19.

Aghion, P., Caroli, E. and García-Penalosa, C. (1999) 'Inequality and Economic Growth: The Perspective of the New Growth Theories,' JEL 37, December: 1615-1660.

Ahluwalia, M.S. and Chenery, H. (1974) 'The Economic Framework,' in H. Chenery et al., Redistribution with Growth, Oxford: OUP, Ch. 2.

Bruno, M., Ravallion, M. and Squire, L. (1997) 'Equity and Growth in Developing Countries: Old and New Perspectives on Policy Issues,' in C. Gwin and J. Nelson, eds., Perspectives on Aid and Development (Washington: ODC), pp. 19-50.

Deininger, K. and Olinto, P. (2001) 'Asset Distribution, Inequality, and Growth,' Washington, D.C.: World Bank, mimeo.

Dollar, D. and Kraay, A. (2000) 'Growth *Is* Good for the Poor,' World Bank Working Paper, March.

Griffin, K. and Ickowitz, A. (1997) 'The Distribution of Wealth and the Pace of Development,' United Nations Development Programme, Social Development and Poverty Elimination Division, Working Paper 3, November.

Kuznets, S. (1955) 'Economic Growth and Income Inequality,' AER 49: 1-28.

Milanovic, B. (2003) 'Two Faces of Globalization: Against Globalization As We Know It,' WD 31(4): 667-683.

Ravallion, M. (2001) 'Growth, Inequality and Poverty,' WD 29(11): 1803-1815.

Ray, D. (1998) Development Economics. Princeton: PUP, Ch. 7.

Wade, R. (2001) 'The Rising Inequality of World Income Distribution,' Finance & Development 38(4): 37-39.

II. AGRICULTURE

(a) Agrarian structure

Agarwal, B. (1994) 'Gender and Command over Property: A Critical Gap in Economic Analysis and Policy in South Asia', WD 22(10): 1455-1477.

Besley, T. and Burgess, R. (2000) 'Land Reform, Poverty Reduction, and Growth: Evidence from India,' QJE 115(2): 389-430.

Binswanger, H.P. and Deininger, K. (1997) 'Explaining Agricultural and Agrarian Policies in Developing Countries,' JEL 35, December: 1958-2005.

Boyce, J.K. (1993) The Philippines: The Political Economy of Growth and Impoverishment in the Marcos Era. London: Macmillan, Chs. 6-7.

Deere, C.D. and León, M. (2003) 'The Gender Asset Gap: Land in Latin America,' WD 31(6): 925-947.

Hartmann, B. and Boyce, J.K. (1983) A Quiet Violence: View from a Bangladesh Village. London: Zed, Chs. 9-15.

Ray, D. (1998) Development Economics. Princeton: PUP, Chs. 11-12.

Sen, A.K. (2000) Employment, Technology, and Development. New York: OUP, Chs. 1-3. [See also: Sen, A.K. (1996) 'Employment, institutions, and technology: Some policy issues,' International Labour Review 135: 445-471.]

(b) The 'green revolution'

Boyce, J.K. (1993) The Philippines: The Political Economy of Growth and Impoverishment in the Marcos Era. London: Macmillan, Chs. 3-5.

Griffin, K.B. (1999) Alternative Strategies for Economic Development. London: Macmillan, Ch.6.

Dorward, A. *et al.* (2004) 'A Policy Agenda for Pro-Poor Agricultural Growth,' WD 32(1): 73-89.

(c) Market-assisted land redistribution

Binswanger, H.P., Deininger, K. and Feder, G. (1995) 'Power, Distortions, Revolt and Reform in Agricultural Land Relations,' J. Behrman and T.N. Srinivasan, eds., Handbook of Development Economics, Volume III. Amsterdam: Elsevier, Ch. 42.

Carter, M.R. and Zegarra, E. (2000) 'Land Markets and the Persistence of Rural Poverty: Post-Liberalization Policy Options,' in A. Valdés and R. Lopez, eds., Rural Poverty in Latin America. New York: St. Martin's, pp. 65-85.

Deininger, K. (2003) Land Policies for Growth and Poverty Reduction. Oxford: OUP, Ch. 3. Available at: http://econ.worldbank.org/prr/land_policy/text-27809/.

Griffin, K.B., Khan, A.R. and Ickowitz, A. (2002) 'Poverty and the Distribution of Land,' Journal of Agrarian Change 2(3): 279-330.

(d) Genetic diversity and its erosion

Boyce, J.K. (2002) The Political Economy of the Environment. Northampton: Edward Elgar, Ch. 7.

Brush, S.B. (1998) 'Bio-cooperation and the Benefits of Crop Genetic Resources: The Case of Mexican Maize,' WD 26(5): 755-766.

Brush, S.B. (2000) 'The Issues of *in situ* Conservation of Crop Genetic Resources,' in S.B. Brush, ed., Genes in the Field: On-Farm Conservation of Crop Diversity. Boca Raton: Lewis Publishers, pp. 3-26.

Swanson, T. (1996) 'Global Values of Biological Diversity: The public interest in the conservation of plant genetic resources for agriculture,' Plant Genetic Resources Newsletter 105: 1-7.

III. ENVIRONMENT

(a) Externalities

Bardhan, P. and Udry, C. (1999) Development Microeconomics. Oxford: OUP, Ch. 13.

Selwyn, P. (1985) 'Costs and Benefits of a Modest Proposal', WD 13(5): 653-8.

(b) Sustainable development

Daly, H. (1991) Steady-State Economics (Washington, DC: Island Press, 2nd edn). Esp. pp. 180-210, 241-260.

Dutt, A.K. and Rao, J.M. (1996) 'Growth, Distribution, and the Environment: Sustainable Development in India', WD 24(2): 287-306.

Hall, Anthony (1997) Sustaining Amazonia: Grassroots Action for Productive Conservation (Manchester: Manchester University Press), Chs. 2-3.

Harris, J.A. et al. (2001) A Survey of Sustainable Development: Social and Economic Dimensions. Washington, D.C.: Island Press.

Pearce, D., Barbier, E. and Markandya, A. (1990) Sustainable Development: Economics and Environment in the Third World (Aldershot: Edward Elgar), Chs. 1-3.

(c) Greening the national income accounts

Repetto, R. (1989) 'Nature's Resources as Productive Assets', Challenge, Sept.-Oct., pp. 16-20.

Torras, M. (1999) 'Inequality, Resource Depletion, and Welfare Accounting: Applications to Indonesia and Costa Rica,' WD 27(7): 1191-1202.

(d) Population growth

Birdsall, N. (1988) 'Economic Approaches to Population Growth,' in H. Chenery and T.N. Srinivasan, eds., Handbook of Development Economics, vol. I (Amsterdam: Elsevier), pp. 477-542.

Hartmann, B. (1995) Reproductive Rights and Wrongs: The Global Politics of Population Control. Boston: South End Press, Ch. 2.

Kelley, A.C. (2000) 'Population and Economic Development,' forthcoming in The Encyclopedia of the Social and Behavioral Sciences.

Ray, D. (1998) Development Economics. Princeton: PUP, Ch. 9.

Sen, A. (1994) 'Population: Delusion and Reality', New York Review of Books, Sept. 22, pp. 62-71.

Sen, A.K. (1997) 'Population Policy: Authoritarianism versus cooperation,' Journal of Population Economics 10: 3-22.

(e) Political economy of environmental degradation

Agarwal, B. (2000) 'Conceptualising Environmental Collective Action: Why Gender Matters,' CJE 24: 283-310.

Boyce, J.K. (2002) The Political Economy of the Environment. Northampton: Edward Elgar, Chs. 4-5, 8.

Guha, R. (2000) Environmentalism: A Global History. New York: Longman, esp. Chs. 6 & 8.

Leach, M., R. Mearns and I. Scoones (1997) 'Environmental Entitlements: Dynamics and Institutions in Community-Based Natural Resource Management, WD 27(2): 225-247.

Martinez-Alier, J. and M. O'Connor (1999) 'Distributional Issues: An Overview,' in J.C.J.M. van den Bergh, ed., Handbook of Environmental and Resource Economics, Cheltenham: Edward Elgar, ch. 25.

IV. EXTERNAL SECTOR

(a) External indebtedness

Boyce, J.K. (1993) The Philippines: The Political Economy of Growth and Impoverishment in the Marcos Era. London: Macmillan, Chs. 9-11.

Cornia, G.A. (1987) 'Economic Decline and Human Welfare in the First Half of the 1980s', in G.A. Cornia, R. Jolly, and F. Stewart, eds., Adjustment with a Human Face. Vol 1: Protecting the Vulnerable and Promoting Growth. Oxford: Clarendon, pp. 11-47.

Fisher, S. (1997) 'Applied Economics in Action: IMF Adjustment Programs,' AER 87(2): 23-27.

Gwynne, S.C. (1986) Selling Money. New York: Weidenfeld & Nicolson, Chs. 1, 7, & 8.

Ndikumana, L. and Boyce, J.K. (1998) 'Congo's Odious Debt: External borrowing and capital flight from Zaire,' DC 29: 195-217.

Payer, C. (1991) Lent and Lost: Foreign Capital and Third World Development. London: Zed, pp 1-111.

Streeten, P. (1987) 'Structural Adjustment: A Survey of the Issues and Options,' WD 15(12): 1469-82.

Taylor, L. (1991) 'Foreign Resource Flows and Developing Country Growth,' Helsinki: WIDER.

(b) External assistance

Boyce, J.K. (2002) 'Unpacking Aid,' DC 33(2): 239-246.

Burnside, C. and Dollar, D. (2000) 'Aid, Policies, and Growth,' AER 90(4): 847-868.

Dollar, D. and Pritchett, L. (1998) Assessing Aid: What Works, What Doesn't, and Why. Washington: World Bank.

Griffin, K.B. and Enos, J. (1970) 'Foreign Assistance: Objectives and Consequences', EDCC, 18: 313-327.

Hartmann, B. and Boyce, J.K. (1983) A Quiet Violence: View from a Bangladesh Village. London: Zed, Chs. 19-20.

Lensink, R. and White, H. (2000) 'Assessing Aid: A Manifesto for the 21st Century?' ODS 28(1): 5-17.

McGillivray, M. (2003) 'Aid Effectiveness and Selectivity,' Helsinki: WIDER Discussion Paper No. 2003/71. Available at: <http://www.wider.unu.edu/publications/dps/dps2003/dp2003-071.pdf>.

(c) The state and the IFIs

Bardhan, P. and Udry, C. (1999) Development Microeconomics, Oxford: OUP, Ch. 17.

Fox, J. (2000) 'The World Bank Inspection Panel: Lessons from the First Five Years,' Global Governance 6(3): 279-318.

Gilbert, C., Powell, A. and Vines, D. (1999) 'Positioning the World Bank,' EJ 109, November, pp. F598-F633.

Khattry, B. and J.M. Rao (2002) 'Fiscal Faux Pas? An Analysis of the Revenue Implications of Trade Liberalization,' WD 30(8): 1431-1444.

Milder, D. (1996) 'Foreign Assistance: Catalyst for Domestic Coalition Building,' in J.M. Griesgraber and B.G. Gunter, eds., The World Bank: Lending on a Global Scale. London: Pluto Press, pp. 142-191.

Rodrik, D. (1994) 'King Kong Meets Godzilla: The World Bank and the *East Asian Miracle*,' in A. Fishlow *et al.*, Miracle or Design? Lessons from the East Asian Experience. Washington: ODC.

Rogoff, K. (2002) 'Rogoff's Discontent with Stiglitz,' IMF Survey 31(13), 18 July, pp. 209-211. Available on the worldwide web at: <http://www.imf.org/external/np/vc/2002/070202.HTM>

Stiglitz, J.E. (2002) Globalization and Its Discontents, New York: Norton, chs. 8-9.

Toye, J. (2000) 'Fiscal Crisis and Fiscal Reform in Developing Countries,' CJE 24: 21-44.

Wade, R. (1996) 'Japan, the World Bank, and the Art of Paradigm Maintenance: *The East Asian Miracle* in Political Perspective,' New Left Review 217: 3-36.

International Financial Institution Advisory Commission [the Meltzer Commission] (2000) Report, esp. pp. 1-14. Available on the worldwide web at: <http://www.house.gov/jec/imf/meltzer.pdf>

(d) Political conditionality

Crawford, G. (1997) 'Foreign Aid and Political Conditionality: Issues of Effectiveness and Consistency,' Democratization 4(3): 69-108.

Doornbos, M. (2001) 'Good Governance: The Rise and Decline of a Policy Metaphor?' JDS 37(6): 93-108.

Hook, S.W. (1998) "'Building Democracy" through Foreign Aid: The Limitations of United States Political Conditionality, 1992-1996,' Democratization 5(3): 156-180.

Stokke, O. (1995) 'Aid and Political Conditionality: Core Issues and State of the Art,' in O. Stokke, ed., Aid and Political Conditionality. London: Frank Cass, pp. 1-87.

V. CONFLICT

(a) Causes of conflict

Collier, P. *et al.* (2003) *Breaking the Conflict Trap: Civil War and Development Policy*. New York: Oxford University Press.

Collier, P. and Hoeffler, A. (2001) 'Greed and Grievance in Civil War,' unpublished World Bank study, 21 October. Available at:
http://www.worldbank.org/research/conflict/papers/greedgrievance_23oct.pdf

De Soysa, I. (2002) 'Paradise Is a Bazaar? Greed, Creed, and Governance in Civil War, 1989-99,' Journal of Peace Research 39(4): 395-416.

Fairhead, J. (2000) 'The Conflict over Natural and Environmental Resources,' in E. W. Nafziger, F. Stewart, and R. Vayrynen, eds., War, Hunger, and Displacement: The Origins of Humanitarian Emergencies. Oxford: Oxford University Press, pp. 147-178.

Keen, D. (2000) 'Incentives and Disincentives for Violence,' in M. Berdal and D. Malone, eds., Greed and Grievance: Economic Agendas in Civil Wars. Boulder: Lynne Rienner, pp. 19-41.

Nafziger, E.W. and Auvinen, J. (2002) 'Economic Development, Inequality, War, and State Violence,' WD 30(2): 153-163.

Uvin, P. (1998) Aiding Violence: The Development Enterprise in Rwanda. West Hartford: Kumarian. Esp. chs. 6, 7, & 11.

(b) Humanitarian dilemmas

Anderson, M.B. (1999) Do No Harm: How Aid Can Support Peace – or War. Boulder: Lynne Rienner, Chs. 2 & 4.

Cortright, D. and Lopez, G.A. (2000) The Sanctions Decade: Assessing UN Strategies in the 1990s. Boulder: Lynne Rienner, chs. 2, 11-12.

Leader, N. (1998) 'Proliferating Principles; Or How to Sup with the Devil without Getting Eaten,' Disasters 22(4): 288-308.

(c) Consequences of conflict

Arunatilake, N., Jayasuriya, S., and Kelegama, S. (2001) 'The Economic Cost of the War in Sri Lanka,' WD 29(9): 1483-1500.

Collier, P. (1999) 'On the Economic Consequences of Civil War,' OEP 51: 168-183.

FitzGerald, V. (2001) 'Paying for the War: Economic Policy in Poor Countries Under Conflict

Conditions,' in F. Stewart and V. FitzGerald, eds., War and Underdevelopment. Volume I: The Economic and Social Consequences of Conflict. Oxford: Oxford University Press, pp. 21-38.

Stewart, F., Humphreys, F.P. and Lea, N. (1997) 'Civil Conflict in Developing Countries Over the Last Quarter of a Century: An Empirical Overview of Economic and Social Consequences,' ODS 25(1): 11-42.

(d) War-to-peace transitions

Boyce, J.K. (2002) Investing in Peace: Aid and Conditionality After Civil Wars. Oxford: Oxford University Press, Adelphi Paper No. 351.

Brynen, R. (2000) A Very Political Economy: Peacebuilding and Foreign Aid in the West Bank and Gaza. Washington, DC: United States Institute of Peace, chs. 1, 6, 7.

Ofstad, A. (2002) 'Countries in Violent Conflict and Aid Strategies: The Case of Sri Lanka,' WD 30(2): 165-180.

World Bank, Operations Evaluation Department (1998) The World Bank's Experience with Post-Conflict Reconstruction. Report No. 17769, Vol. 1, pp. vii-xiv, 23-34.

Journal abbreviations:

AER	American Economic Review
CJE	Cambridge Journal of Economics
DC	Development & Change
EDCC	Economic Development and Cultural Change
EJ	Economic Journal
JEL	Journal of Economic Literature
JEP	Journal of Economic Perspectives
ODS	Oxford Development Studies
OEP	Oxford Economic Papers
QJE	Quarterly Journal of Economics
WD	World Development

